



State of Rhode Island and Providence Plantations

State House  
Providence, Rhode Island 02903-1196  
401-222-2080

Donald L. Carcieri  
Governor

7 April 2009

TO THE HONORABLE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES  
TO THE HONORABLE, PRESIDENT OF THE SENATE

For the reasons set forth below, I am transmitting herewith without my signature 2009-H5019 Sub A as amended. While the Supplemental Budget contains nearly 90% of my proposed budget, I will not sign it because it does not include the statutory pension reforms which are absolutely necessary to ensure sustainability.

Rhode Island is facing a current unfunded pension liability of nearly \$8 billion, and the problem is getting worse by the day. Absent significant changes to the pension system, the cost to taxpayers will double in less than ten years. That is unacceptable. I am well aware of the General Assembly's commitment to make significant changes to the public employee pension system before the end of June. Because of that, I will allow this Supplemental Budget to become law without my signature. I trust the General Assembly will deliver on its commitment to achieve the savings in this fiscal year and going forward.

Overall fiscal stability for our state is dependent upon major spending reforms by our cities and towns. The General Assembly must provide our cities and towns with relief from costly mandates, restoration of managerial prerogatives and specific reforms to collective bargaining. Our cities and towns cannot solve present day fiscal difficulties with costly mandates and outdated work rules.

As we move forward with the debate over the 2010 budget, these reforms will be critical for our municipalities to reduce their budgets. Further, in the 2010 budget we must reform our tax policy to make us competitive with Massachusetts and accelerate job growth.

Accordingly, I am allowing this bill to become law, but without my signature and noting my concerns. For the sake of all Rhode Islanders, I expect all these concerns will be addressed by the end of this legislative session.

Sincerely,

A handwritten signature in dark ink, appearing to read "Donald L. Carcieri", with a long horizontal flourish extending to the right.

Donald L. Carcieri